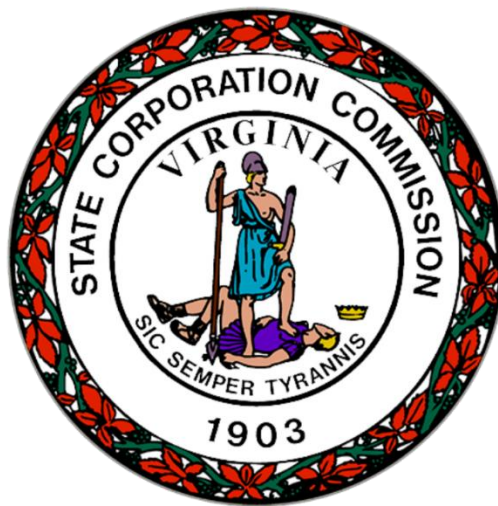


# 2022 Report on the Availability of High Deductible Health Plans

*Submitted to the Senate Committees on Finance and Appropriations;  
Education and Health; and Commerce and Labor; and the House  
Committees on Appropriations; Finance; Commerce and Energy; and  
Health, Welfare and Institutions; pursuant to § 38.2-5601 C of the  
Code of Virginia*



December 31, 2022

# COMMONWEALTH OF VIRGINIA

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December 31, 2022

## *Transmitted via Email*

The Honorable Janet D. Howell  
Co-Chair, Senate Committee on  
Finance and Appropriations

The Honorable Barry D. Knight  
Chair, House Committee on  
Appropriations

The Honorable George L. Barker  
Co-Chair, Senate Committee on  
Finance and Appropriations

The Honorable Roxann L. Robinson  
Chair, House Committee on Finance

The Honorable L. Louise Lucas  
Chair, Senate Committee on  
Education and Health

The Honorable Kathy J. Byron  
Chair, House Committee on Commerce  
and Energy

The Honorable Richard L. Saslaw  
Chair, Senate Committee on  
Commerce and Labor

The Honorable Robert D. Orrock, Sr.  
Chair, House Committee on Health,  
Welfare and Institutions

Dear Committee Chairs:

Pursuant to [§ 38.2-5601 C](#) of the Code of Virginia, and on behalf of the State Corporation Commission, the Bureau of Insurance submits this annual report on the availability of high deductible health plans.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Scott A. White', written over a white background.

Scott A. White  
Commissioner of Insurance

## EXECUTIVE SUMMARY

Pursuant to [§ 38.2-5601 C](#)<sup>1</sup> of the Code of Virginia, and on behalf of the State Corporation Commission, the Bureau of Insurance (Bureau) submits this report on the availability of high deductible health plans in Virginia that are used in conjunction with health savings accounts.<sup>2</sup>

Twenty-two companies offered these plans for use with health savings accounts in Virginia at year-end 2021. While there were 3,000 fewer policies sold from year-end 2020 to year-end 2021, the number of Virginians covered (i.e., total lives covered) increased by 4,000.

Year End	Companies Reporting	Policies Sold	Total Lives Covered*
2021	22	18,000	264,000
2020	17	21,000	260,000
2019	17	19,000	293,000
2018	18	21,000	272,000
2017	18	22,000	276,000

\*Includes lives covered by policies sold and those remaining in effect from prior years.

The Bureau has not identified any state statutory or regulatory barriers to the sale of high deductible health plans that would restrict their attractiveness to Virginians. As a result, it has no recommended statutory or regulatory changes to the Virginia Health Savings Account Plan.<sup>3</sup>

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<sup>1</sup> C. The Plan shall include a report by the (State Corporation) Commission on the availability of high deductible health plans, as defined in § 223 (c) (2) of the Internal Revenue Code of 1986, as amended, in the Commonwealth.

<sup>2</sup> Under federal law, [26 USC § 223\(d\)\(1\)](#), the term “health savings account” means a trust created or organized in the United States as a health savings account exclusively for the purpose of paying the qualified medical expenses of the account beneficiary,

<sup>3</sup> § 38.2-5601 B, Code of Virginia: “The Virginia Health Savings Account Plan shall, consistent with federal law authorizing the establishment and use of health savings accounts, identify measures by private and public entities that will increase the utilization and efficacy of health savings accounts by the Commonwealth’s residents, employers, and providers of health care coverage. The Plan shall include recommendations for legislation that would increase the attractiveness of health savings accounts or eliminate barriers to their use....”

## INTRODUCTION

High deductible health plans are health insurance plans that provide health coverage after the insured has reached a pre-determined deductible. Insurance companies offering these plans may include health maintenance organizations, preferred provider organizations, health services plans, life insurance companies, health services plans, and accident and sickness insurance companies.<sup>4</sup>

Health savings accounts are designed for use with these plans. They are owned by individuals. The minimum deductible amounts and annual out-of-pocket limits for high deductible health plans to qualify for use with health savings accounts are determined by federal law and indexed annually to adjust for inflation.<sup>5</sup> The most recent standards are shown in the following chart:

<b>2022</b>	<b>2023</b>
Minimum Deductible Amounts <ul style="list-style-type: none"><li>• \$1,400 for a single person (self-only)</li><li>• \$2,800 for family coverage</li></ul>	Minimum Deductible Amounts <ul style="list-style-type: none"><li>• \$1,500 for a single person (self-only)</li><li>• \$3,000 for family coverage</li></ul>
Annual Out-of-Pocket Limits <ul style="list-style-type: none"><li>• \$7,050 for a single person (self-only)</li><li>• \$14,100 for a family</li></ul>	Annual Out-of-Pocket Limits <ul style="list-style-type: none"><li>• \$7,500 for a single person (self-only)</li><li>• \$15,000 for a family</li></ul>

The monetary contributions in the health savings accounts are used to pay for eligible medical expenses.

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<sup>4</sup> As defined in 26 USC § 223(c)(2), a high deductible health plan “means a health plan (i) which has an annual deductible which is not less than (I) \$1,000 for self-only coverage, and (II) twice the dollar amount in subclause (I) for family coverage, and (ii) the sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits does not exceed (I) \$5,000 for self-only coverage, and (II) twice the dollar amount in subclause (I) for family coverage.” Each year, the Internal revenue Service publishes new minimum deductible amounts and establishes the minimum corresponding out-of-pocket limits.

<sup>5</sup> IRS Publication 963 (2021) set forth the 2022 limits. The inflation adjustments for 2023 are set forth in 26 CFR 601.602: Tax forms and instructions. (Also, Part I, §§ 1, 223; Part III § 54.9831-1). Rev. Proc. 2022-24

## **HIGH DEDUCTIBLE HEALTH PLAN AVAILABILITY IN VIRGINIA**

The Bureau obtained information on the health savings account market in Virginia in 2022 from surveys of companies which had previously indicated that they were actively offering or considering offering high deductible health plans. This was supplemented with information from forms filed electronically with the Bureau and gathered through direct contacts with company personnel.

This information shows that 22 companies offered high deductible health plans for use with health savings accounts in Virginia at year-end 2021. Of these, six companies did not report any policy sales or covered lives for 2021. Four companies accounted for 81% of the lives covered by these plans.

### **Companies Offering High Deductible Health Plans in Virginia at Year-End 2021**

Aetna Health, Inc.  
Aetna Health Insurance Company  
Aetna Life Insurance Company  
Anthem Health Plans of Virginia, Inc.  
Bright Health Insurance Company  
CareFirst BlueChoice, Inc.  
Cigna Health and Life Insurance Company  
Connecticut General Life Insurance Company  
Group Hospitalization and Medical Services, Inc.  
HealthKeepers, Inc.  
Innovation Health Insurance Company  
Innovation Health Plan, Inc.  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
Kaiser Permanente Insurance Company  
Optima Health Insurance Company  
Optima Health Plan  
Optimum Choice, Inc.  
Piedmont Community HealthCare, Inc.  
Piedmont Community HealthCare HMO, Inc.  
UnitedHealthcare Insurance Company  
UnitedHealthcare of the Mid-Atlantic, Inc.  
UnitedHealthcare Plan of the River Valley

The following chart compares high deductible health plan purchases over the last five years. While the number of policies sold decreased by 3,000 from year-end 2020 to year-end 2021, the number of lives (i.e., Virginians) covered by these plans increased by 4,000. This change in total lives covered can differ from the reported change in the number of policies sold since an individual high deductible health plan policy, or policy certificate in the case of a group health plan, may include dependent coverage.

Year End	Companies Reporting	Policies Sold	Covered Lives	Cumulative Policies In-force*	Total Lives Covered*
2021	22	18,000	106,000	92,000	264,000
2020	17	21,000	119,000	93,000	260,000
2019	17	19,000	143,000	87,000	293,000
2018	18	21,000	148,000	76,000	272,000
2017	18	22,000	148,000	86,000	276,000

\*Includes lives covered by policies sold and those remaining in effect from prior years.

## **INCREASING THE ATTRACTIVENESS OF HEALTH SAVINGS ACCOUNTS AND ELIMINATING BARRIERS TO USE**

The Bureau requested information from insurers offering high deductible health plans for ways to increase the attractiveness of health savings accounts. They did not have any recommended changes to the product or the related legislation. Since health savings accounts are a function of federal law, state actions have limited impact on the attractiveness of high deductible health plans.

### **CONCLUSION**

At year-end 2021, 22 insurance companies offered high deductible health plans for use with health savings accounts in Virginia and covered 240,000 lives. Compared to year-end 2020, plan sales decreased as did the number of policies purchased, while the number of covered lives increased.

The Bureau has not identified any state legislative or regulatory barriers to the sale of high deductible health plans that would restrict their attractiveness to Virginians. As a result, it does not have any recommended legislative or regulatory changes to the Virginia Health Savings Account Plan.

The Bureau will continue to monitor federal and state legislation and associated regulations, as well as high deductible health plan market activity in Virginia.